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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/670,113	09/26/2000	William Y. Conwell	60299	4862

23735 7590 06/16/2009

DIGIMARC CORPORATION
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EXAMINER	
TUCKER, WESLEY J	

ART UNIT	PAPER NUMBER
2624	

MAIL DATE	DELIVERY MODE
06/16/2009	PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte WILLIAM Y. CONWELL

Appeal 2009-000153
Application 09/670,113
Technology Center 2600

Decided:[1] June 16, 2009

Before MAHSHID D. SAADAT, ROBERT E. NAPPI, and
JOHN A. JEFFERY, *Administrative Patent Judges*.

JEFFERY, *Administrative Patent Judge*.

ON REQUEST FOR REHEARING

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[1] The two-month time period for filing an appeal or commencing a civil action, as recited in 37 CFR § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

Appellant requests that we reconsider our decision of March 9, 2009 where we affirmed the Examiner's rejections of (1) claims 3, 5, 16, 18-20, and 23 under 35 U.S.C. § 102, and (2) claims 10-15 and 17 under 35 U.S.C. § 103.[2]

We have reconsidered our decision in light of Appellant's arguments in the Request for Rehearing, and we find no error therein. We, therefore, decline to make any changes in the prior decision for the following reasons.

Appellant contends that we erroneously interpreted the recited term "watermark" as including a bar code in reaching our decision. (Req. 2.) According to Appellant, a watermark is imperceptible and therefore escapes notice (i.e., the senses do not perceive it). But Appellants contend that, unlike a watermark, a bar code is conspicuous and therefore perceived. (*Id.*) Appellants emphasize that a watermark's very presence is hidden, unlike a visually-perceptible bar code. (Req. 2-3.)

Appellant also contends that while a watermark and bar are both *carriers* of information with an underlying "payload" (i.e., the conveyed information), these "carriers" differ in terms of their perception. That is, a watermark is an imperceptible carrier of information, whereas a bar code is perceptible. (Req. 4.)

But these arguments are not commensurate with the scope of the term "watermark" given its broadest reasonable interpretation in light of the Specification. In our decision, we found that the Specification "implicitly defined the term 'watermark' to mean an embedded *machine-readable code*

[2] In our decision, we also reversed the Examiner's rejection of claims 8, 9, 22, 24, and 25 under § 103. (Decision 18-20.) That reversal, however, is not germane to the rehearing request.

that is *imperceptible or nearly imperceptible* to the user, yet may be detected through an automated detection process." (Decision 9; emphasis altered.)

In light of this definition, we held that while Li's bar codes "may be overtly and conspicuously emblazoned on their corresponding documents. . . their underlying information and functional instructions are not." (Decision 10.) We concluded that "[t]hese underlying encoded instructions and information associated with their respective barcode fully meet a 'watermark' as claimed." (Decision 11.)

Based on the record before us, we see no reason to disturb that holding. It is undisputed that the underlying information and functional instructions associated with Li's bar codes constitute, at least in part, machine-readable code. It is also undisputed that the underlying information and functional instructions would be imperceptible or nearly imperceptible to the user. As such, the underlying information and functional instructions fully comport with the definition of "watermark" as we indicated in our decision.

In reaching this conclusion, we recognize that a printed bar code is a carrier of information as Appellant argues (Req. 4). And we further recognize that a watermark can serve the same function. But nothing in the claim precludes a bar code's underlying information and functional instructions as constituting a "watermark" even if such a watermark was "carried" by a perceptible bar code. In this situation, the underlying information and functional instructions would still fully comport with the definition of a "watermark," namely an embedded machine-readable code that is imperceptible or nearly imperceptible to the user, yet detectable via an automated detection process. In any event, the bar code's underlying

information and functional instructions themselves can function as an information "carrier" since they too provide a "payload" in the form of data and messages that, among other things, control various functions of remote devices (e.g., computer 62). (*See* Decision 6-7 (FF 11-13); *see also id.* at 10-11.)

In reaching our conclusion, we acknowledge the non-precedential decision, *Ex parte Hannigan*, No. 2007-4254, slip op. at 14 (BPAI 2008) (non-precedential), where another panel of this Board held that a bar code is not equivalent to a digital watermark since a watermark is hidden from the user, and a bar code is not hidden. Since that decision is not precedential, however, we are not bound by its holding.[3] Nevertheless, in our decision, we did not say that Li's bar code *itself* is a watermark. Indeed, we recognized that Li's bar code is overt and conspicuous. (Decision 10.) Rather, we simply held that the bar code's *underlying information and functional instructions* in Li fully meet the definition of a "watermark" as noted above. (*See* Decision 10-11.)

Lastly, as we indicated in our decision (Decision 9 n.5), our interpretation fully comports with *In re Nuijten*, 500 F.3d 1346, 1348 (Fed. Cir. 2007), *reh'g en banc denied*, 515 F.3d 1361 (Fed. Cir. 2008) and *cert. denied*, 129 S. Ct. 70 (2008). While Appellant argues that the *Nuijten* court indicated that "the consumer of watermarked content *desirably should* not be

[3] *See* Standard Operating Procedure 2 (Rev. 7), Board of Patent Appeals and Interferences, at 2, *available at* http://www.uspto.gov/web/offices/dcom/bpai/sop2.pdf (noting that any publicly-available Board opinion that (1) does not expressly indicate that the opinion is binding precedent of the Board, or (2) is not identified as binding precedent on the Board's website is deemed to be nonprecedential).

able to distinguish between watermarked and unwatermarked versions" (Req. 8; emphasis altered), it is by no means a requirement. Indeed, Appellant's definition of "watermark" noted above specifying that the embedded machine-readable code is "imperceptible or *nearly imperceptible*" (emphasis added) all but confirms this point.

In any event, by merely looking at the document 50 (and its bar code 45) in Li, we do not see how users would be able to distinguish the particular watermark associated with a particular bar code without a machine. *See* Decision 5-7 (FF 7-15). In that sense, users would not be able to distinguish a watermarked version (i.e., a document containing a specific watermark) from an "unwatermarked" version (i.e., a document that does not contain that specific watermark). *See id.*

In summary, while we find that Li's bar code is not a watermark, the bar code's *underlying information and functional instructions* nonetheless fully meet a "watermark" given its broadest reasonable interpretation in light of the Specification.

CONCLUSION

For the foregoing reasons, we have granted Appellant's request to the extent that we have reconsidered our decision of March 9, 2009, but we deny the request with respect to making any changes therein.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

REHEARING DENIED

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